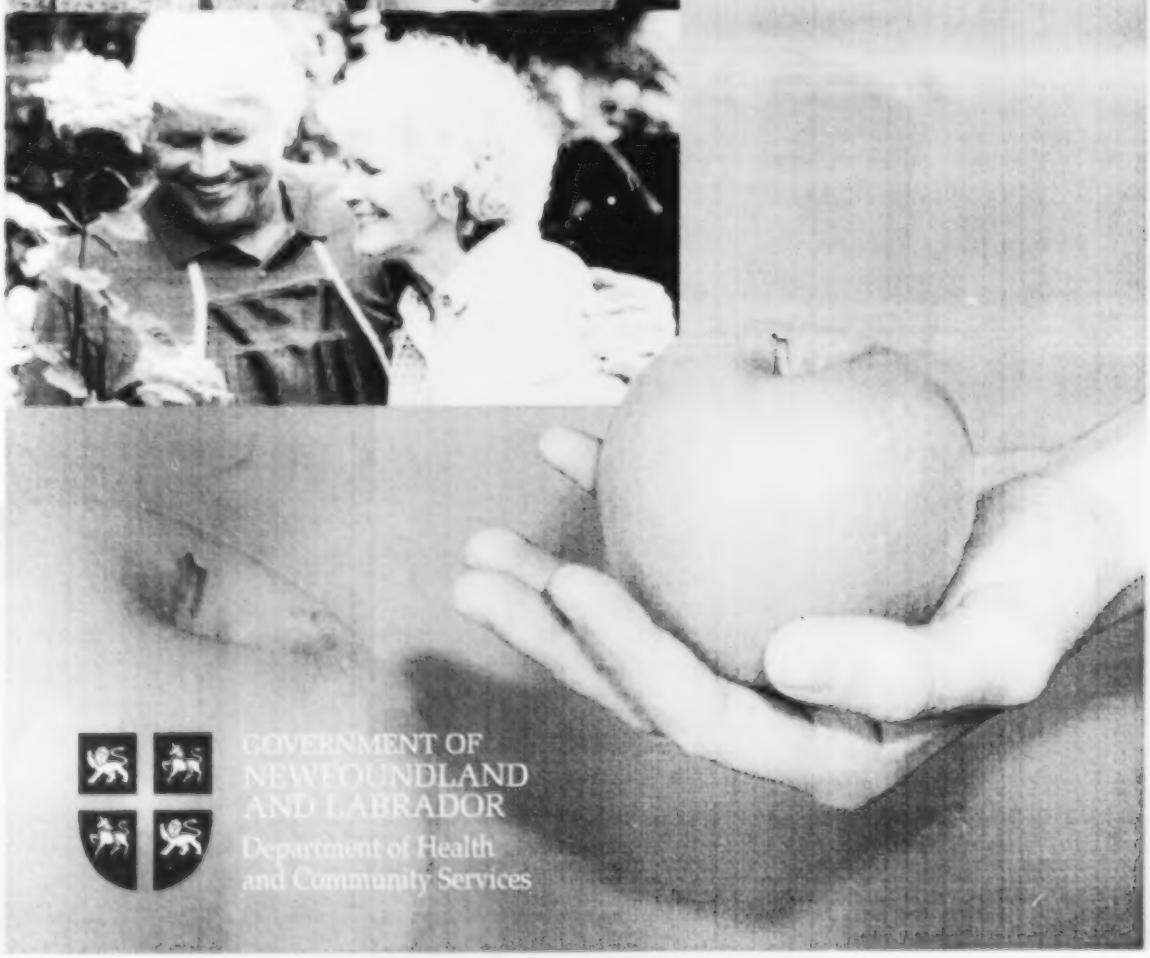
A Brief to the Commission on the Future of Health Care in Canada



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Foreword

Mr. Romanow:

Welcome to Newfoundland and Labrador. I hope you find your consultations in this province insightful and trust they will guide you to the "compelling and galvanizing vision for the future of health care" which you referenced in your interim report.

In our submission, the Government of Newfoundland and Labrador wishes to achieve several things:

- first, to acquaint you with the structure of our health and community services system and the key challenges which we face;

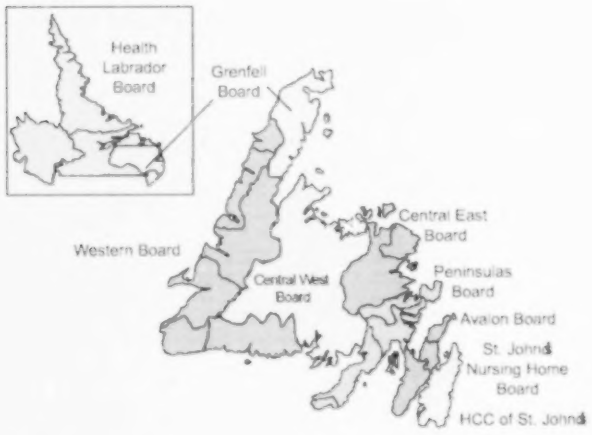
- second, to provide you with a summary of the feedback received from health system stakeholders during a series of health forums last fall; and,

- third, to provide the views of the provincial government on the perspectives which you raised in your interim report. These views will indicate the general directions of the government as it prepares to release its Strategic Health Plan later this spring, based on the input we received through our Health Forums 2001 consultation sessions.

Gerald Smith, MHA
Minister of Health and Community Services
April 15, 2002

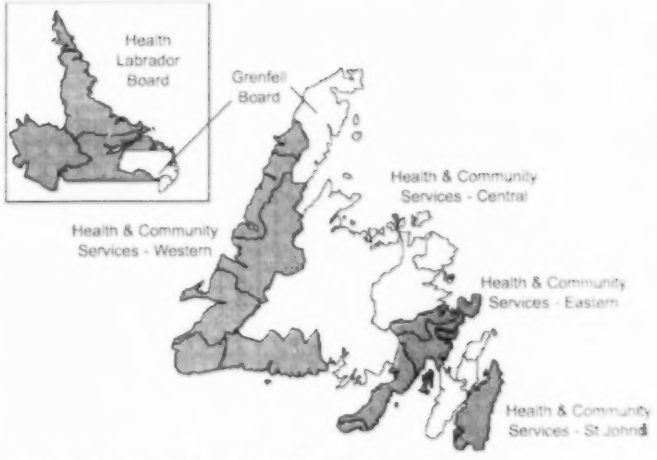
Health System Structure

Publicly-provided health services in Newfoundland and Labrador are provided by 14 health boards. Of these, eight are institutional health or hospital boards, four are community-based boards, and two are integrated boards, delivering both institutional and community services.



Institutional Boards

Note 1) Grenfell and Labrador are integrated boards.
2) The Newfoundland Cancer Treatment Foundation is an institutional board with a province-wide mandate.


Health Labrador Board
Grenfell Board
Health & Community Services - Central
Health & Community Services - Western
Health & Community Services - Eastern
Health & Community Services - St. John's

Health & Community Services Boards

The institutional boards deliver hospital services to the general public and long-term residential services to persons 65 years and older and persons suffering from chronic debilitating conditions. The health and community services boards deliver community-based programs and services related to health promotion; disease prevention; child, youth, and family services; community corrections; family and rehabilitative services; addictions; mental health; and continuing care. There are also a number of agencies funded directly by the Department of Health and Community Services, including the Memorial University of Newfoundland Faculty of Medicine, the Newfoundland and Labrador Centre for Health Information, the Centre for Applied Health Research, and the Public Health Laboratory.

The provincial government appoints regional health boards whose members serve as volunteers. Most boards are responsible for the governance of health and community services in a defined region. Province-wide mandates belong to the Newfoundland Cancer Treatment and Research Foundation and the tertiary programs of the Health Care Corporation of St. John's. The boards interact with the public to determine health needs and to respond to public issues. They receive their funding from the provincial government and are accountable to the Minister of Health and Community Services. The provincial government also provides funding for other health and community services such as private ambulance services, medical transportation, out-of-province health services, prescription drug subsidies, shelters and group homes, family resource centres, and physician compensation.

The education and training sector is an integral part of the health system. Memorial University provides education for physicians, nurses, pharmacists, dietitians, and social workers through the Faculty of Medicine, the Schools of Nursing, Pharmacy, and Social Work, and the Department of Biochemistry. The College of the North Atlantic provides diploma programs in several areas including laboratory and x-ray, ultrasound, and i piratory therapy. Private colleges also contribute to the training of health professionals. Some types of health professionals such as physiotherapists, occupational therapists, speech language pathologists, and audiologists obtain their training outside the province.

In addition, a range of health services are provided by the private sector. In this province about 21 per cent of health expenditures are in the private sector, which is the lowest of any province in Canada. This point reflects the simple reality that average incomes in the province are the lowest of any province in Canada. Therefore the market for private health services and the ability to pay for such services is comparatively low. This reality is a thread that runs throughout our approach to medicare and health services generally. It is a constant reminder of the need for a properly funded, stable health system which provides a comprehensive set of health services for the population.

Major Challenges

The main challenges which the health system faces in this province are in the areas of population health status, demographic change, quality and accessibility of services, sustainability, and accountability. These challenges are similar to those raised by the *Commission on the Future of Health Care in Canada* in its interim report.

The most fundamental role of a health system is to improve the health of the population. The greatest gains in health have been made through population health initiatives, examples of which are immunization and pre- and post-natal care. Regrettably, however, we focus on this aspect of the health system infrequently even though the largest reductions in 'person years of life lost' can still be obtained in this area. It is the policy maker's dilemma that broad population issues are faceless and therefore seem less urgent, while the person awaiting surgery or a diagnostic test is attended to as quickly as possible. In Canada this perspective must change if we are to win the battle against the looming wave of chronic disease. In Newfoundland and Labrador, in particular, we must engage this battle immediately because the indicators of chronic disease are worse here than elsewhere in the country.

Deaths due to cardiac disease, in this province, stand at 321 per 100,000 people, compared to 246 in Canada as a whole. Diabetes is also much higher in this province. The rate of diabetes in Newfoundland and Labrador for 1998-99 was 5.2 per cent, compared with a national rate of 3.5 per cent. As well, there has been a steady increase in the rate of death due to cancer in Newfoundland and Labrador since 1986. Although genetics can be a contributing factor, the risk factors which cause such diseases must be addressed as they can prevent or reduce the incidence of chronic disease. This province faces the greatest challenge with these risk factors as we have one of the lowest levels of physical activity among children and adults, the highest rates of obesity, and among the highest rates of alcohol misuse and smoking in the country. The health impacts of these conditions will stay with us for decades, placing a great strain on the acute care system. The challenges we face in this province may be larger than in the rest of the country, but they are similar in nature and therefore offer the potential for national strategies.

Recognizing the high rates of smoking in this province, the Government of Newfoundland and Labrador has developed a Provincial Tobacco Reduction Strategy. Two significant outcomes of this strategy have been the development of the Smoking Sucks campaign, an initiative aimed at reducing tobacco use among youth, and the adoption of the Smoke-free Environment Act - legislation that bans smoking in public places where children have the right of entry. Newfoundland and Labrador leads the country in this area as we are the first province to adopt this type of legislation.

The second major challenge is demographic change. The population size and structure in Newfoundland and Labrador is undergoing significant change which has a direct impact on the health and community services system. Most significantly, there has been an overall population decline, from 580,000 in 1994 to 534,000 in 2001, and possibly even lower when the final census estimates come in. This is the largest percentage decline of any province across Canada. Uneven patterns of growth and decline, including internal migration patterns, add to the complexity of the problem. The St. John's metropolitan area, for example, has become a larger proportion of the overall population and many rural regions have seen population decreases in excess of the provincial average. These patterns have a direct impact on the distribution and viability of health services, particularly in a province with a large geographic area and a small population.

The average age of the population is increasing everywhere in the province which means services and supports for seniors are becoming more important, and services for children must be adjusted due to a rapidly declining base. Population loss and aging are also connected because outmigration of young people, especially young families, reduce the availability of traditional family supports for seniors requiring long-term care. In addition, an aging population, together with population loss, will result in a shrinking pool of human resources. Not all of these demographic pressures require new programs or extra resources, but they do require new ways of organizing services to ensure quality and access, which is the next major challenge.

The most significant quality and access issue is the disconnectedness of the primary health care system, a situation which is getting worse over time. The report of the Primary Care Advisory Committee told us that primary care services are becoming more fragmented, with fewer doctors participating in the full range of services such as hospital-based services, emergency services, or obstetrical services. The health care team, including nurses, nurse practitioners, pharmacists, physiotherapists, family doctors, and others is not structured to ensure collaboration and to fill in the gaps which are occurring in patient services. The Government of Newfoundland and Labrador is committed to providing seamless service in the health system. One of the first steps we have taken towards achieving this goal is the development of legislation for nurse practitioners. Newfoundland and Labrador is the forerunner in the country in this area and we see this group of health professionals as an integral part of the primary health care model.

Other quality and access issues in Newfoundland and Labrador include:

- developing standards for the location of services;
- integrating services across organizational boundaries;
- aging infrastructure, particularly in long-term care facilities;
- improving the continuum of long-term care services;
- filling the gaps in the array of mental health services;
- ensuring the recruitment and retention of health professionals; and
- realizing the potential of information and communications technologies.

The fourth major challenge facing the province is the sustainability of the system. A common refrain in every jurisdiction in Canada is that the large increases in health budgets cannot continue to consume an ever increasing share of the fiscal pie. This year, the Department of Health and Community Services will spend 45 cents of every program dollar within government; up from 37 cents in 1994-95. Make no mistake, this level of growth has crowded out the possibility of new programs and initiatives in other sectors.

It is unlikely that cost pressures will decline. New technologies, new pharmaceuticals, growing expectations, burgeoning chronic disease, wage and compensation competition, and the perennial difficulty of extracting the promised savings when a new technology is introduced are factors that point in only one direction. For a small province, with a limited fiscal capacity and many demands for services and programs, coupled with a federal government unwilling to share the risk of increasing health costs, the prospects are daunting.

The final major challenge is accountability or mutual responsibility. If the demands of the public are high and the amount of funding available is constrained, the public deserves to know that health spending is both efficient and effective. A dollar that is wasted through inefficiency, or in a program which fails to achieve results, is a dollar that could be reallocated to other services. The people of the province need better information to evaluate the success of the health system in achieving good results.

In return, individuals also have an accountability role to play in the health system. Each individual has a responsibility for maintaining good health and using health services wisely. This means becoming educated about how best to maintain and improve one's health and also understanding when it is appropriate and necessary to use the health system. The type and amount of use of system resources by the public lends to the system's ability to be efficient and sustainable.

Health Forums 2001

Recognizing the need for change, the government decided to hold provincial consultation sessions, termed Health Forums 2001, to gather feedback from key stakeholders on the future of the province's health and community services system. The process began with a discussion document, *Reaching Consensus and Planning Ahead*, which posed a number of questions on the key health issues facing the province, surprisingly similar to the Commission's interim report.

Throughout the fall of 2001, seven forums were held on a regional basis, one on a provincial basis, and one at the interdepartmental level. The feedback from forums, together with written and electronic submissions, resulted in over 800 stakeholders providing input.

The feedback from the Health Forums indicated that participants were open to system reorganization, privatization of some services, and the integration of regional health boards. There was strong endorsement for adopting a wellness strategy and reforming the primary health care system. Participants agreed that there was a need for change in the current system, but cautioned that change must be a result of evidence-based decision-making. Stakeholders are interested in a system that is accountable, sustainable, accessible, and provides quality programs and services. The forums also recommended that funding for new health services should come from the federal government or from reallocation within the health system, not from other sectors, taxes, or user fees. The forums encouraged the continuing focus on human resource issues - recruitment, retention, and scope of practice. Additionally, it was recognized that there is mutual responsibility - individual and societal - for use of the system.

The information collected through the Health Forums process has contributed to the development of a framework for a provincial Strategic Health Plan. A work in progress, the plan will be released publicly in the latter part of the spring of 2002. The plan will look at the challenges the province is facing in its health and community services system and set strategic directions to move towards a sustainable system. It will build on the good work that is already being done in this province, particularly in the areas of wellness and health promotion.

Perspectives on the Future of Health Care

In the Commission's interim report, four perspectives on the future of health care in Canada were outlined. Using these perspectives as a guide, we will provide the views of the provincial government on some of the key issues.

1. More Public Investment

The first perspective, or scenario, offered by the Commission titled "More Public Investment" suggests the health system is suffering from a lack of funding and the system could be restored primarily through the addition of resources made possible through increased federal funding.

There is no question that the provinces have been under-funded by the federal government. For Newfoundland and Labrador, the impact occurs through the Canada Health and Social Transfer (CHST), as well as the equalization program. These transfers do not meet the needs of Newfoundland and Labrador - a province with a high level of outmigration, one of the lowest birth rates in the country, and an aging population.

The province has long advocated a series of equalization reforms that recently have been endorsed through the findings of a study undertaken by the *Standing Senate Committee on National Finance*. The Government of Newfoundland and Labrador recommends the following reforms for equalization:

- removing the ceiling on equalization payments; and,
- restoring the 10 province average equalization standard.

The Canada Health and Social Transfer (CHST), which is intended to support social programs, remains considerably below funding levels that existed under the previous transfer arrangements. While the actual cash funding of the total CHST program, nationally, has returned to the levels available in 1994-95, the relative contribution by the federal government towards social programs remains substantially below its earlier contribution. This province joins with other provinces and territories calling for the restoration of CHST support to fund at least 18 per cent of provincial and territorial costs for social programs, along with the implementation of an appropriate escalator. The declining provincial population and the move to a per capita allocation of the CHST poses further financial hardship for Newfoundland and Labrador. Consequently, the province's CHST cash for 2002-03 remains $80 million below the level in 1994-95.

While funding payments decrease because of a declining population, the provincial government is still required to provide a core set of services with costs that do not decrease in tandem with the population change. The Government of Newfoundland and Labrador believes that federal transfers should be protected by a population floor to ease the transition to a smaller population. When populations decline the cost of public services do not adjust immediately and there is a point below which base costs cannot go, regardless of population size. A population floor could ensure that transfer payments phase down in response to population declines, thus allowing a province the opportunity to rationalize services in a reasonable manner.

The simple reality is that the health system is growing rapidly and the Government of Newfoundland and Labrador is adding a disproportionate share of funds when compared to the federal government. The federal government has greater fiscal capacity to support the health system. A fairer sharing of costs would alleviate some of the budget pressures felt by provincial and territorial governments and reduce the concerns of Canadians that the health system might not be there for them when they need it.

This being said, it is true that more money is not the only solution. In fact, too great a focus on money diverts attention from real issues of effectiveness, innovation, performance, and efficiency. Further work can be done on a provincial basis to realize efficiencies and reallocate funding. Realization of efficiencies and redistribution of funding will also lead to improvements in quality and access. The Government of Newfoundland and Labrador is committed to creating a more efficient, quality health system and has illustrated this commitment through such efforts as the regionalization of health and community services and numerous operational reviews. Attaining efficiency and quality requires a process of continuous improvement, as well as the support of a health information management system. Improvements to the system are more efficient and effective when evidence necessary to effect change is readily available. Further funding is needed from the federal government to invest in the area of information and communications technology on a provincial and territorial basis.

Concerns related to the comprehensiveness of the *Canada Health Act* (CHA), when it comes to medically necessary services, also need to be addressed. For one, the term has inconsistent interpretations across the country, thus creating a system that is inequitable across provinces and territories. It is also a concern that the services currently covered under the CHA, as medically necessary, may not be reflective of the needs of today's population. The *Canada Health Act* needs to take into account the profile of the population and available interventions (e.g., aging population and new drugs). However, if expansion of the comprehensiveness of medically necessary services is to occur then it must be supported by federal funding. Areas where expansion can be explored are pharmacare, home care, and nursing home care.

The Government of Newfoundland and Labrador is receptive to the expansion of the *Canada Health Act* to include a pharmacare program as a medically necessary service. Inclusion of a pharmacare or drug subsidy program under medicare will address the needs of the working poor who are often without private insurance or coverage under existing provincial programs. This will bring the health system more in line with the needs of the population. If assurances could be given that the provincial funding requirement would not exceed the amount currently spent by the provincial government for pharmacare needs, the Government of Newfoundland and Labrador would consider reallocating monies to support a pharmacare program covered under the *Canada Health Act*. A possible starting point for expansion of medicare is the coverage, for a limited period of time, of drug therapies and home support for patients leaving the hospital.

Home care and nursing home care are an integral part of the health and community services system in Newfoundland and Labrador. The question of whether or not these services should be considered for coverage under medicare is an interesting idea and further research needs to be done to answer this question. One of the key issues that will need to be considered is the impact of expansion on the sustainability of the health system. The Government of Newfoundland and Labrador supports further research by the federal government into the possibility of expanding the *Canada Health Act* but also reiterates the importance of living within our fiscal means. If coverage under medicare is to be expanded then funding commitments from the federal government to support the expansion are necessary.

2. Share Costs and Responsibilities

The second perspective posed by the *Commission on the Future of Health Care in Canada* suggests that Canadians should be asked to bear a greater share of the costs of health services either through the introduction of co-payments, user fees, taxable benefits, or private insurance.

The reality is, in Canada, 27 per cent of health costs are paid for privately by the general public. The services that fall within this category are those, such as prescription drugs, occupational and physiotherapy, transportation services, dental, and home support, that are currently not considered as medically necessary but are part of the continuum of services.

Considerable discussion has taken place on national and provincial levels regarding the implementation of user fees for emergency visits and family physician visits. The total expenditures in Newfoundland and Labrador in these two areas are no greater than 10 per cent of the province's total health care costs and any savings targets would be a small share of this amount. Furthermore, savings generated from the application of user fees in these areas would be negligible when one takes into account the administrative costs of implementing a new system. Research has indicated that co-payment models have little impact on utilization by those with mid to high incomes. Rather, it is often the low income individuals that stop using the services. Therefore, the Government of Newfoundland and Labrador is skeptical about the value such a system can offer, at least in these two service areas.

Feedback from Health Forums 2001 indicated that medically necessary services should be paid for by the public purse. There was strong opposition to the implementation of user fees, co-payment models, taxable benefits, or private insurance as it was felt that the system would no longer be equally accessible to all people. Serious concern was expressed regarding the possible future use of shared cost models. With an average income of less than $20,000 in Newfoundland and Labrador, vulnerable populations would be negatively impacted. While participants in the public consultation sessions did not feel the public should be required to bear greater financial responsibility for the health system, they did see the public playing a greater role in accepting responsibility for one's own health and use of the system. If a larger portion of the population accepted responsibility for their health, leading to decreased utilization of health services, it would be more beneficial than the implementation of user fees.

Improved wellness is often a personal choice and has a high correlation with employment, high levels of income, and education. However, healthy living must be regarded as a right and responsibility of everyone. Attitudes and behaviours, as well as the levels of poverty, must change to raise the health status of the population, and improve the financial sustainability of the system. These other determinants have a significant impact on health and well-being and the federal government can play a leadership role in this area.

Individuals need to realize their personal responsibility for wise use of the system - to understand when it is necessary to visit a doctor or an emergency room, and to use the support of the family where possible to maintain a healthy life within communities. Having said this, improving health and well-being is a two-way street; government has a major responsibility for ensuring families have the appropriate resources and supports to assist them in making healthy choices.

3. Increase Private Choice

Under the perspective of "Increase Private Choice", the *Commission on the Future of Health Care in Canada* suggests increased private choice in the marketplace will relieve some of the pressures felt by the publicly-funded system and will improve the system's effectiveness, efficiency, productivity, and consumer satisfaction.

This perspective assumes that without greater private choice in the future, waiting lists will grow and more expensive technologies will not be funded by the public system. If a parallel private system was created to deal with such issues, it would mean a wholesale change in the principles and values of the *Canada Health Act*. At the current time, the Government of Newfoundland and Labrador is opposed to the private purchase of medically necessary services. We believe the publicly-funded system can continue to respond to new pressures and opportunities for medically necessary services, thus ensuring equal access for all.

The Government of Newfoundland and Labrador questions whether two parallel systems of medically necessary health services - one public and one private - is in the best interest of the public health system. The reality is that for many types of services there is only room for one service provider in the Newfoundland and Labrador marketplace - the demand for and supply of services is not strong enough to support two parallel health systems. While private payment and public payment systems may be possible in larger provinces, such a system in Newfoundland and Labrador could undermine the viability of some of our province's publicly-funded services.

The issue of more private payment choices was explored through Health Forums 2001. Participants asked government to proceed cautiously in this area. However, participants also indicated that there may be room for further privatization of some publicly-funded hospital services such as diagnostic testing. Further review and analysis of this issue, however, is needed and any expansion must be based on evidence and support the needs of the population. The public sector has often been found to be just as or more efficient than the private sector. However, where expansion of private service delivery would be beneficial to the citizens of this province, the government is willing to consider such options, provided there are appropriate standards and monitoring processes in place.

4. Reorganize Service Delivery

The fourth scenario proposed by the *Commission on the Future of Health Care in Canada* suggests the need for reorganizing the health system to ensure the seamless and integrated delivery of services.

Seamless health care should be the shared goal of every jurisdiction across Canada. Reorganization of the health system in Canada is needed. The current system was designed for a population of 20 to 30 years ago. In many ways, this system no longer meets the needs of today's population. To create a sustainable system, government has to take an approach that focuses not only on treating the sick, but also keeping healthy people well.

A substantial part of the solution to this problem is to reorganize the primary health care system. The Government of Newfoundland and Labrador supports a coordinated, interdisciplinary approach to primary health care. Many parts of the primary health care system have become disconnected from each other and too often people are provided with fragmented services. Interdisciplinary teams with professionals practicing to their full scope of practice are required to provide seamless health care. This approach to health care will be a major component of the province's Strategic Health Plan. While primary health care reform accounts for a large part of the change needed in the health system of Newfoundland and Labrador, other strategies dealing with population wellness, community capacity building, standards for the location of services, and gaps in long-term care and mental health services will also be pursued.

To assist in the reorganization of service delivery, the Newfoundland and Labrador government will implement a set of guiding principles for decision-making. The principles of accessibility, quality, accountability, and sustainability were proposed in the *Reaching Consensus and Planning Ahead* document which was released by the provincial government in September 2001 in preparation for Health Forums 2001. These principles were widely endorsed by forum participants and, in addition, five more principles were identified during the health forums. These additional principles are accountability, people-centred focus, affordability, evidence- based practices, and equity. All of these principles are being considered by the Government of Newfoundland and Labrador for inclusion in the Strategic Health Plan. It is recommended that a similar set of decision-making principles be adopted by the Commission to guide the discussion and decisions regarding the future of the health system.

Other Issues

In addition to providing feedback on the four perspectives that were proposed in the Commission's interim report, the Government of Newfoundland and Labrador would also like to address some key issues which we feel would be of interest to the Commission on the Future of Health Care in Canada.

HEALTH CHARTER

Newfoundlanders and Labradorians want to be assured that the health services available today will be there for them in the future. To reassure the citizens of the province, the Government of Newfoundland and Labrador is developing a Health Charter. This charter will outline the commitments which citizens can rely upon related to service delivery. The people of the province will know what they can expect from the health system and have an understanding of the importance of their own responsibility in achieving optimal health. A Health Charter is a worthwhile initiative at the provincial level given the province's responsibility for service delivery.

NATIONAL GOALS FOR POPULATION HEALTH

It would also be useful for the federal government to work with provincial and territorial governments to establish national goals for population health. These goals should support provincial strategies and emphasize the importance of health promotion. An example of a collaborative effort where national goals were developed was the National Children's Agenda. This initiative illustrates how federal, provincial, and territorial governments can partner to meet the needs of the population.

The federal government needs to take a leadership role on policy development and funding allocation for population health. Health Canada has been successful in the area of health promotion in the past. The Government of Canada needs to further its commitment and work towards strengthening the health of the population.

Children, persons with disabilities, and the Aboriginal population are very important targets for population health and a strategy should include specific goals for these groups. It is important to begin the process of healthy living early in life. If the goal is to make the population healthier, then it is important that children learn healthy behaviours at the earliest possible age. Persons with disabilities also need special consideration when it comes to improving the population's health. Likewise, further concentrated work should be focused on the Aboriginal population. The federal government has taken a lead role in addressing the needs of this population and support is given for continued efforts by the federal government in this area.

PROCESS TO DEFINE "MEDICALLY NECESSARY"

A mechanism is needed to identify, on an ongoing basis, what exactly should be included as medically necessary under the *Canada Health Act*. Are the current services covered under medicare appropriate and reflective of the needs of the population? Should some of these services be removed and replaced with others that are more in line with the needs of the population? Or should the list of services be expanded? Whatever the case, the process for defining medically necessary services has to be balanced. That is, while further expansion of services covered under medicare is supported, there is a need for ongoing sustainability. The addition of new services has to be affordable within the current provincial system of resources.

Development of a mechanism for defining medically necessary will require the input of provincial and territorial governments, health professionals, and the public. The federal government needs to clearly articulate to the people of this country what can be expected through medicare.

PERFORMANCE INDICATORS

In 1998, the Government of Newfoundland and Labrador released a Strategic Social Plan which focuses on enhancing the social and economic well-being of individuals, families, and communities. Through this plan, the provincial government committed itself to the development of a provincial performance measurement framework which includes a comprehensive set of provincial indicators. The first social audit resulting from this framework will be released to the people of the province in 2003.

In September 2001, the first ministers agreed on a set of 14 indicators on which each province and territory are required to report. The Government of Newfoundland and Labrador fully supports the use of performance indicators to measure health outcomes and will present its first performance indicators report to the people of this province in September 2002.

A fundamental part of this government's Strategic Health Plan will be the identification of additional targets which will provide insight as to how the actions of the plan are affecting health outcomes in the province. Reporting on these targets to the people of the province will occur on an annual basis through the House of Assembly. Such reporting will assist the people of the province in making decisions about their own health and use of the system.

Conclusion

Newfoundland and Labrador, and Canada as a whole, is at a critical stage in health care reform. Health care budgets are skyrocketing, yet stakeholders want to maintain a high quality system which can meet the needs of the people today and into the future. Newfoundlanders and Labradorians value the health care system. At the same time, growth of the system must also be managed so that it does not erode other public sector services in Newfoundland and Labrador.

The Government of Newfoundland and Labrador is committed to working with the people of the province to create a better health and community services system for the future. While we are faced with many challenges, the province's Strategic Health Plan will put into action the commitment of government to provide quality health and community services to improve the health and well-being of individuals, families, and communities.

The Government of Newfoundland and Labrador cannot take sole responsibility for change. Cooperation and support is needed from the federal government. Increased federal funding is necessary. Recognition of change in the population profile through reorganization of service delivery and redefinition of the term medically necessary under the *Canada Health Act* is imperative. The federal government needs to lead the country in the critical areas of wellness, population health, and primary health care reform. A system based on the needs of the population 20 to 30 years ago is no longer adequate. It is imperative that the federal government work in partnership with the provinces and territories to ensure a sustainable health system in the future.

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